

Increase Funding for Problem Gambling Services

2017 Legislative Session Talking Points

DRAFT Version 9/18/16

Legislation that created the Revolving Account for the Prevention and Treatment of Problem Gambling needs to be updated to account for changes in the State's gaming industry

- Funding for DHHS problem gambling services rely exclusively on the \$2 per slot machine fee that was first enabled over a decade ago (NRS 458A).
- While the problem gambling service system has developed over the past decade, along with gambling treatment demand, funding for that system has decreased from \$1,700,000 in 2008 to approximately \$1,315,000 for SFY 2016 and 2017.
- There has been a trend in Nevada's gaming industry away from slot machines with a concurrent trend towards increased revenue from remote/internet gaming and table gaming.

Nevada ranks 2nd in the nation for gambling revenue per resident age 18 and aboveⁱ yet ranks 15th in nation for per capita problem gambling service fundingⁱⁱ

- Nevada invested \$0.60 per resident age 18+ toward problem gambling services in 2016.
- Nevada gambling revenue per resident age 18 and above was \$418.20 in 2015.
- **The National Council on Problem Gambling has recommended an (minimum?) investment of at least \$1 per capita to address the issue of problem gambling. The**

Throughout Nevada's recent internet gambling legalization process, problem gambling was a central and important policy concern

- Nevada's Gaming Policy Committee and Gaming Control Board heard testimony from gaming industry experts that a strong problem gambling system must accompany this expansion of gambling in the state – a perspective that was met with enthusiasm from both entities.
- We need to invest in and develop a robust, effective, and efficient problem gambling system in order to be prepared for these needs in the not too distant future.

Nevada needs to focus on population health and to do so takes a larger investment in problem gambling prevention and health promotion than the current annual investment in problem gambling services allow

- We need good data to develop good health promotion programs. The only statewide problem gambling survey conducted is now more than 15 years old. We need sufficient funds to sponsor a new survey.
- In SFY 2016 about \$250,000 was invested in problem gambling prevention. This amount is not sufficient to deliver problem gambling prevention services throughout the state or finance an effective public awareness campaign.

Problem gambling directly impacts tens of thousands of Nevadans

- About 68,000 adult Nevadans are estimated to meet the criteria for pathological **(should we change references to disordered gambling throughout? Or still relay on "problem" and "pathological" in our descriptions?)** gambling.ⁱⁱⁱ
- In addition, this disorder affects countless other family members, children, businesses, and communities.

Treating problem and pathological gamblers saves Nevada taxpayer dollars

- Problem gamblers report high rates of bankruptcy, divorce, civil and criminal judicial system involvement.^{iv}
- Problem gamblers manifest high rates of mental health problems^v and suicide attempts.^{viii}

- Problem gambling is associated with loss of productivity due to problems on the job, absences, and workplace disruptions.^{viii}
- (Can we make any sort of generic statement about PG costing the state hundreds of millions of dollars annually, or are we on a slippery slope with such statements?)

Treatment is effective and inexpensive

- Gambling treatment saves lives, preserves families, and improves our communities.
- More than 3,000 adult Nevadans have received state-funded treatment since the program originated in 2006.
- UNLV research finds that treatment works for nearly all Nevadans (92%) who receive treatment – 52% quit gambling and 40% reduce their gambling.^{ix}
- Nevada’s treatment recipients also report improvements in their financial, housing, family, school, and work lives.
- The average treatment cost per case for FY16 was only \$1,052.98 (Is it really that big a drop from \$1440 reported in 2014?)
- Do we need a bullet here (or somewhere?) to express imminent cost increases because of pay rate changes?

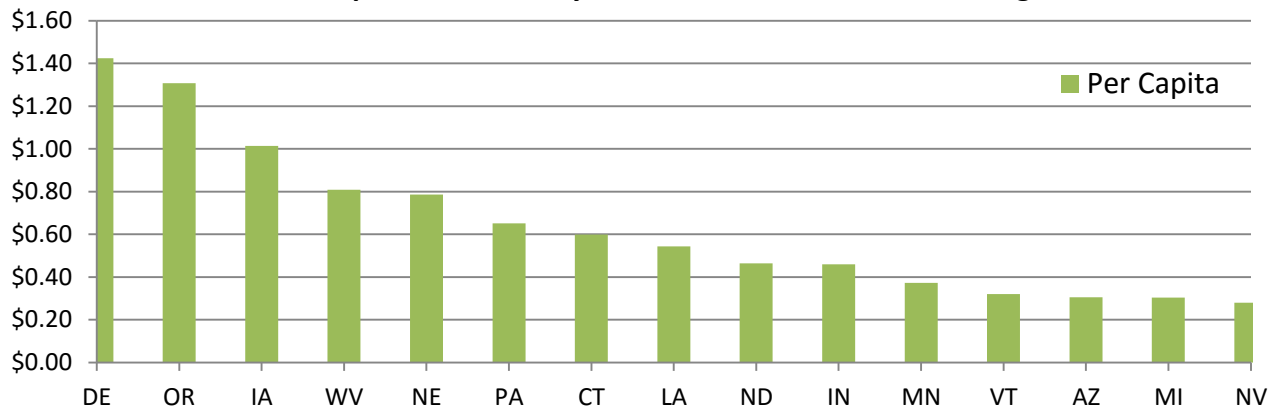
Funding for prevention, workforce development, and research is needed

- The greatest and most cost-effective impacts will be achieved by funding all components of the service system – treatment, prevention, outreach, workforce education, and research.
- The Governor-appointed Advisory Committee on Problem Gambling developed a “Three Year Strategic Plan for Problem Gambling Treatment Services within the State of Nevada: Fiscal Years 2017 – 2019” to cover all the components of the system. However, the current funding formula for problem gambling services will not result in sufficient funds to fully implement this plan. Investing in the implementation of this plan will save millions in future social costs.
- Recent decreased spending for treatment by grant recipients is likely indicative of large-scale problems faced by the overall system in place to address problem gambling prevention, education, and treatment. With the entire system starved of resources over several fiscal years, prevention and education efforts have not been able to properly address workforce development or raise awareness in the community that state-funded treatment exists. Without funded prevention and education efforts which bring people into treatment and keep a workforce there to meet their needs, treatment grantees are likely to continue having trouble spending their grants in full (not sure we want to word it quite this way...suggestions?).
- The lack of interns and the expense of training them has resulted in a catch-22 wherein the number of certified providers cannot increase to meet current and future demand (do we want to include evidence from providers outside the state system here? E.g., RISE = 46 clients for first two quarters of calendar year 2016).

Nevada should play a leadership role in problem gambling prevention and treatment

- As a “states’ rights” issue, the federal government stays out of gambling regulation – and out of problem gambling services. As such, the federal government provides no direct support for state problem gambling services, and nearly all problem gambling services in the U.S. are state-funded.
- States with far fewer gaming revenues spend many times more on problem gambling services.
- Problem gambling is a public health issue, and systemic changes that facilitate and promote the inclusion of problem gambling prevention, workforce development, and research are critical to fulfilling the principles of Nevada strategic plan.
- Nevada is a leader in the global gaming industry, and its problem gambling programs should reflect this leadership status.

2013 Per Capita Allocation by U.S. States on Problem Gambling Services



Note: Includes only funds line itemed for problem gambling services and passing through a state agency.

ⁱ Dadayan, L. (2016). State Revenues From Gambling. The Nelson A. Rockefeller Institute of Government.

ⁱⁱ Marotta, J., Bahan, M., Reynolds, A., Vander Linden, M., & Whyte, K. (2014). 2013 National Survey of Problem Gambling Services. Washington DC: National Council on Problem Gambling

ⁱⁱⁱ Volberg, R (2002). Gambling and Problem Gambling in Nevada: Report to the Nevada Department of Human Resources. Northampton, MA: Gemini Research, LTD.

^{iv} Campbell, C. & Marshall, D. (2007). Gambling and Crime. In G. Smith, D. Hodgins, and R. Williams (Eds), Research and Measurement Issues in Gambling Studies (541-566). Burlington, MA: Elsevier

^v Petry, N. & Weinstock, J. (2007). Comorbidity and Mental Illness. In G. Smith, D. Hodgins, and R. Williams (Eds), Research and Measurement Issues in Gambling Studies (305-322). Burlington, MA: Elsevier

^{vi} Penney, A., Mazmanian, D., Jamieson, J. & Black, N. (2012). Factors associated with recent suicide attempts in clients presenting for addiction treatment. Int J Ment Health Addiction. 10:132-140.

^{vii} Phillips, D. P., Welty, W. R., & Smith, M. M. (1997). Elevated suicide levels associated with legalized gambling. Suicide and Life-threatening Behavior, 27(4), 373.

^{viii} Ladouceur, R., Boisvert, J., Pépin, M., Loranger, M., & Sylvain, C. (1994). Social cost of pathological gambling. Journal of Gambling Studies, 10: 4, 399-409.

^{ix} Bernhard, B. et.al. (2010). The Nevada Problem Gambling Project: Follow-up Research. University of Nevada Las Vegas, International Gaming Institute.